

In Re: Scoobeez	CHAPTER 11 (BUSINESS) Case Number:	2:19-BK-14989-WB
Debtor(s)	Operating Report Number: For the Month Ending:	2 6/1/2019 to 6/30/2019

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

BEGINNING BALANCE AS OF PETITION DATE	<u>697,628</u>
1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	<u>3,702,377</u>
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	<u>2,901,892</u>
3. BEGINNING BALANCE:	<u>1,498,113</u>
4. RECEIPTS DURING CURRENT PERIOD:	
Accounts Receivable - Post-filing	<u>3,611,708</u>
Accounts Receivable - Pre-filing	<u></u>
General Sales	<u></u>
Other (Specify) <u>Refunds</u>	<u>457</u>
**Other (Specify) <u>Voided Checks</u>	<u>6,450</u>
TOTAL RECEIPTS THIS PERIOD:	<u>3,618,615</u>
5. BALANCE:	<u>5,116,728</u>
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD	
Transfers to Other DIP Accounts (from page 2)	<u>2,099,899</u>
Disbursements (from page 2)	<u>1,407,814</u>
TOTAL DISBURSEMENTS THIS PERIOD:***	<u>3,507,714</u>
7. ENDING BALANCE:	<u>1,609,014</u>
8. General Account Number(s):	<u>*****3680</u>

DIP Operating & Operating (Legacy) Wells Fargo
3200 Foothill, Blvd.

La Crescenta, CA 91214

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale. Account ***4303 was closed 6/2/2019. At this time, the remaining \$6,449.85 outstanding checks were voided.

***This amount should be the same as the total from page 2.

Date mm/dd/yyyy	Check Number	Payee or DIP account	*** Purpose	*Amount Transferred	**Amount Disbursed	Amount
06/01/2019	1108	Garo Dekirmendjian	Rent		10,500	10,500
06/01/2019	1106	Three Two Seven Family Management, LLC	Rent		2,335	2,335
06/01/2019	1107	Trust 5025983, LLC	Rent		2,000	2,000
06/03/2019	1114	Annie Yevrenian	Payroll		503	503
06/03/2019	1120	AT&T Mobility	Phone		20,194	20,194
06/03/2019	1110	Charter Spectrum - Ft Worth	Utility		180	180
06/03/2019	1119	Cullum LBS Investments, LLC	Other		1,018	1,018
06/03/2019	1115	Daniel Pelaez	Payroll		1,127	1,127
06/03/2019	1112	Implicit Labs Inc	IT		14,200	14,200
06/03/2019	Debit Card	Indeed	Recruitment		501	501
06/03/2019	Debit Card	Indeed	Recruitment		137	137
06/03/2019	Wire	Innovative	Insurance		45,000	45,000
06/03/2019	1116	Karen Soto Ridge	WC		2,500	2,500
06/03/2019	Debit Card	LAZ Parking- Oakland	Other		35	35
06/03/2019	1113	Maksim Naumov	Payroll		1,266	1,266
06/03/2019	1109	Maria Estrada	Other		1,125	1,125
06/03/2019	1117	Maria Soto	WC		3,975	3,975
06/03/2019	1111	Spectrum San Antonio	Utility		335	335
06/03/2019	1118	SuperVision	Other		284	284
06/03/2019	Deduction	Wells Fargo Bank	bank fee		30	30
06/03/2019	Wire	Wells Fargo Bank	Tax	217,000		217,000
06/03/2019	Wire	Wells Fargo Bank	Payroll	812,899		812,899
06/04/2019	1121	Antonio Fernando Sandiford	Payroll		143	143
06/04/2019	Debit Card	Indeed	Recruitment		507	507
06/04/2019	Wire	PEX Holding	Fuel		40,000	40,000
06/04/2019	1122	Ryan Elam	Travel		432	432
06/04/2019	1123	Spectrum/La Crescenta	Utility		250	250
06/04/2019	Deduction	Wells Fargo Bank	bank fee		30	30
06/05/2019	1142	AE Works Enterprises Inc.	Uniform		4,683	4,683
06/05/2019	1147	AE Works Enterprises Inc.	Uniform		4,670	4,670
06/05/2019	1125	Alexandra Gomez	Payroll		27	27
06/05/2019	Debit Card	Amazon Prime on line	Office		247	247
06/05/2019	1145	Anabel Salas	Payroll		119	119
06/05/2019	1136	Booster Fuels, Inc.	Fuel		3,879	3,879
06/05/2019	1137	Booster Fuels, Inc.	Fuel		4,463	4,463
06/05/2019	1138	Booster Fuels, Inc.	Fuel		4,601	4,601
06/05/2019	1139	Booster Fuels, Inc.	Fuel		6,148	6,148
06/05/2019	1140	Booster Fuels, Inc.	Fuel		4,919	4,919
06/05/2019	1141	Booster Fuels, Inc.	Fuel		2,818	2,818
06/05/2019	1124	City of Dallas	Citation		100	100
06/05/2019	1143	Confirm Biosciences	Other		1,669	1,669
06/05/2019	Debit Card	Google Service	Other		1,883	1,883
06/05/2019	Wire	Hillair Capital Management	Hillair		40,000	40,000
06/05/2019	1144	Kathy Hicks (Expense)	Phone		210	210
06/05/2019	1146	Marco A Mantilla Jr.	Payroll		1,506	1,506
06/05/2019	1126	Robert Guerrero	Payroll		356	356
06/05/2019	Deduction	Wells Fargo Bank	bank fee		30	30
06/06/2019	1151	Craig Sutphen	Payroll		27	27
06/06/2019	Debit Card	Indeed	Recruitment		516	516
06/06/2019	1149	Johnny Reyes	Payroll		27	27
06/06/2019	1148	Malaquias Valdivia	Payroll		134	134
06/06/2019	1150	Raymond Suarez	Payroll		369	369
06/07/2019	1153	Arturo Estrada	Payroll		249	249
06/07/2019	1155	Bradley Mister	Payroll		262	262
06/07/2019	1154	Bryan Hernandez	Payroll		134	134
06/07/2019	1133	Charles Johnson	Payroll		91	91
06/07/2019	1134	Charles Johnson	Payroll		239	239
06/07/2019	1158	City of Glendale Water & Power	Utility		815	815
06/07/2019	1159	Confirm Biosciences	Other		2,478	2,478
06/07/2019	1127	George Voskanian	Payroll		8,014	8,014

06/07/2019 1128	George Voskanian	Payroll	8,014	8,014
06/07/2019 1157	Joel Renteria	Payroll	396	396
06/07/2019 1152	Johavu S Elias	Payroll	27	27
06/07/2019 1132	Marquis King-Smith	Payroll	148	148
06/07/2019 1135	Olamide Abesin	Payroll	169	169
06/07/2019 1156	Ricardo Munoz	Payroll	58	58
06/07/2019 1129	Scott Sheikh	Payroll	8,014	8,014
06/07/2019 1130	Scott Sheikh	Payroll	8,014	8,014
06/09/2019 1160	ADT SECURITY SYSTEMS, LLC	Utility	129	129
06/09/2019 1161	Athens Services	Utility	174	174
06/09/2019 1162	Spectrum/La Crescenta	Utility	250	250
06/10/2019 1163	Adrianna Gutierrez	Payroll	262	262
06/10/2019 1173	Booster Fuels, Inc.	Fuel	3,542	3,542
06/10/2019 1174	Booster Fuels, Inc.	Fuel	5,698	5,698
06/10/2019 1175	Booster Fuels, Inc.	Fuel	4,992	4,992
06/10/2019 1176	Booster Fuels, Inc.	Fuel	5,875	5,875
06/10/2019 1177	Booster Fuels, Inc.	Fuel	3,551	3,551
06/10/2019 1170	Brandan Glyenn	Payroll	33	33
06/10/2019 1164	Erron Gray	Payroll	457	457
06/10/2019 Debit Card	Indeed	Recruitment	502	502
06/10/2019 1168	Lekeya Elerby	Payroll	920	920
06/10/2019 1165	Michael Sanchez	Payroll	271	271
06/10/2019 1172	Nolan Giddens	Payroll	454	454
06/10/2019 Debit Card	Parking Concepts	Other	8	8
06/10/2019 Debit Card	Parking Concepts	Other	35	35
06/10/2019 1167	Paul Godley	Payroll	128	128
06/10/2019 Wire	PEX Holding	Fuel	5,000	5,000
06/10/2019 Wire	PEX Holding	Fuel	40,000	40,000
06/10/2019 1169	Randall Schaafs	Payroll	190	190
06/10/2019 1171	Sir James Crump	Payroll	426	426
06/10/2019 Debit Card	Swizznet	Dues	214	214
06/10/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/10/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/11/2019 Fraud	Allstate	Farud	984	984
06/11/2019 1178	First Insurance Funding	Insurance	2,712	2,712
06/11/2019 Debit Card	Indeed	Recruitment	500	500
06/11/2019 1166	Lonnie Malone	Payroll	231	231
06/11/2019 Debit Card	Nates Cell Phone	Other	1,191	1,191
06/12/2019 Debit Card	Amazon Prime on line	Office	22	22
06/12/2019 Fraud	Capital One	Farud	471	471
06/12/2019 1185	Christian Leon	Payroll	435	435
06/12/2019 1180	Cynthia Pastor	WC	505	505
06/12/2019 1181	Devon Rea	Payroll	1,357	1,357
06/12/2019 1183	Eric Salazar	Payroll	516	516
06/12/2019 Wire	Hillair Capital Management	Hillair	40,000	40,000
06/12/2019 Wire	Innovative	Insurance	8,706	8,706
06/12/2019 1186	Japree Patterson	Payroll	224	224
06/12/2019 Debit Card	Liquid Web LLC	Dues	2,295	2,295
06/12/2019 1184	Marcos Villafuerte	Payroll	30	30
06/12/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/12/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/12/2019 1179	William Taffet	Workers Comp.	1,269	1,269
06/13/2019 1188	Abdulaziz Torres	Payroll	1,424	1,424
06/13/2019 1195	Darnisha McGee	Payroll	487	487
06/13/2019 Debit Card	Indeed	Recruitment	502	502
06/13/2019 1194	Jason Tolbert	Payroll	30	30
06/13/2019 1191	Jerry Nguyen	Payroll	753	753
06/13/2019 1193	Joseph Jacinth	Payroll	390	390
06/13/2019 1187	Marco Briseno	Other	400	400
06/13/2019 1190	Peter Martinez	Payroll	698	698
06/13/2019 1189	Tram Pham	Payroll	134	134
06/14/2019 ACH	Accurate Background LLC	Background check	16,650	16,650
06/14/2019 1199	Adrian Perez	Payroll	685	685
06/14/2019 Debit Card	Amazon Prime on line	Office	46	46

06/14/2019 1197	Arturo Meza	Payroll	543	543
06/14/2019 1203	Arturo Meza	Payroll	687	687
06/14/2019 1201	Christopher Hogan	Payroll	67	67
06/14/2019 Wire	Combined Group Insurance Services Inc.	WC Insurance	7,997	7,997
06/14/2019 1198	Daybreon Harris	Payroll	45	45
06/14/2019 1204	DMV	Other	15	15
06/14/2019 1205	Karen Soto Ridge	WC	2,595	2,595
06/14/2019 1202	Stephen Berry	Payroll	876	876
06/14/2019 1200	Terrence Commick	Payroll	409	409
06/14/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/17/2019 1207	Daniel Dalexis	Payroll	30	30
06/17/2019 Wire	Hertz Corporation	Vehicle	368,337	368,337
06/17/2019 Debit Card	Indeed	Recruitment	500	500
06/17/2019 1209	Juan Guerrero	Payroll	552	552
06/17/2019 1206	Maria Estrada	Payroll	1,013	1,013
06/17/2019 1208	Omar Martinez	Payroll	860	860
06/17/2019 Wire	PEX Holding	Fuel	45,000	45,000
06/17/2019 1210	Rafael Martinez	Payroll	532	532
06/17/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/17/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/18/2019 1216	Aden Ghevondyan	Payroll	2,500	2,500
06/18/2019 1213	Andres Munoz	Payroll	2,741	2,741
06/18/2019 1212	Angela H Tagle	Payroll	213	213
06/18/2019 Fraud	Capital One	Farud	400	400
06/18/2019 1222	Christopher Key	Payroll	2,250	2,250
06/18/2019 Debit Card	Harland Clarke	Other	147	147
06/18/2019 Debit Card	Harland Clarke	Other	219	219
06/18/2019 Debit Card	Indeed	Recruitment	501	501
06/18/2019 1225	Jowita Chomentowska	Payroll	2,170	2,170
06/18/2019 1226	Juan Figueroa	Payroll	967	967
06/18/2019 1217	Kathy Hicks	Payroll	1,750	1,750
06/18/2019 1229	Kevin Smith	Payroll	931	931
06/18/2019 1220	Michael Torosyan	Payroll	2,000	2,000
06/18/2019 1219	Nicholas Solari	Payroll	2,600	2,600
06/18/2019 1182	Oyehimeh Akene	Payroll	312	312
06/18/2019 1228	Preston Brown	Payroll	775	775
06/18/2019 1215	Saint Enterprises, LLC	Payroll	3,000	3,000
06/18/2019 1214	Sixiang Zhao	Payroll	3,000	3,000
06/18/2019 1224	Sixiang Zhao (Expense)	other	44	44
06/18/2019 1231	Steve Zavala	Payroll	1,005	1,005
06/18/2019 1218	Susanna Avetisian	Payroll	1,600	1,600
06/18/2019 1227	Tavion C Trimble	Payroll	338	338
06/18/2019 1230	Terry Thomas	Payroll	649	649
06/18/2019 1221	Vache Carl Derderian	Payroll	1,750	1,750
06/18/2019 1223	VLO Labs, Inc	Payroll	2,500	2,500
06/18/2019 1211	Xavier Saavedra	Payroll	346	346
06/18/2019 Wire	Wells Fargo Bank	Tax	280,000	280,000
06/18/2019 Wire	Wells Fargo Bank	Payroll	740,000	740,000
06/19/2019 1232	Anibal Eduardo Castillo	Car Wash	2,800	2,800
06/19/2019 1241	Annie Yevrenian	Payroll	1,347	1,347
06/19/2019 1234	Booster Fuels, Inc.	Fuel	5,932	5,932
06/19/2019 1235	Booster Fuels, Inc.	Fuel	3,785	3,785
06/19/2019 1236	Booster Fuels, Inc.	Fuel	4,623	4,623
06/19/2019 1237	Booster Fuels, Inc.	Fuel	6,171	6,171
06/19/2019 1238	Booster Fuels, Inc.	Fuel	4,594	4,594
06/19/2019 1242	Bryan Hernandez	Payroll	1,028	1,028
06/19/2019 1233	Crescenta Valley Water District	Utility	953	953
06/19/2019 1240	Daniel Pelaez	Payroll	748	748
06/19/2019 Debit Card	DSP Phones	Asset	2,004	2,004
06/19/2019 Wire	Hillair Capital Management	Hillair	40,000	40,000
06/19/2019 1239	Verizon	Phone	5,398	5,398
06/19/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/20/2019 1246	Booster Fuels, Inc.	Fuel	6,864	6,864
06/20/2019 1247	Booster Fuels, Inc.	Fuel	3,432	3,432

06/20/2019 1248	Booster Fuels, Inc.	Fuel	4,466	4,466
06/20/2019 1249	Booster Fuels, Inc.	Fuel	5,480	5,480
06/20/2019 1250	Booster Fuels, Inc.	Fuel	3,412	3,412
06/20/2019 1251	Booster Fuels, Inc.	Fuel	4,250	4,250
06/20/2019 1252	Booster Fuels, Inc.	Fuel	5,152	5,152
06/20/2019 1253	Booster Fuels, Inc.	Fuel	4,645	4,645
06/20/2019 1254	Booster Fuels, Inc.	Fuel	4,150	4,150
06/20/2019 1245	Geovanni Rochat	Payroll	116	116
06/20/2019 Debit Card	Indeed	Recruitment	500	500
06/20/2019 Wire	Innovative	Insurance	68,636	68,636
06/20/2019 1243	Juan Cervantes	Payroll	30	30
06/20/2019 Debit Card	Live Agent Recurring	Dues	568	568
06/20/2019 1244	Urielle Arellano	Payroll	293	293
06/20/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/21/2019 1258	Booster Fuels, Inc.	Fuel	3,931	3,931
06/21/2019 1259	Booster Fuels, Inc.	Fuel	4,367	4,367
06/21/2019 1260	Booster Fuels, Inc.	Fuel	5,621	5,621
06/21/2019 1261	Booster Fuels, Inc.	Fuel	6,078	6,078
06/21/2019 1262	Booster Fuels, Inc.	Fuel	5,178	5,178
06/21/2019 1256	Maksim Naumov	Payroll	757	757
06/21/2019 1257	Maksim Naumov	Payroll	250	250
06/21/2019 1255	TMC Provider Group	Workers Comp.	528	528
06/24/2019 1263	First Insurance Funding	Insurance	71,582	71,582
06/24/2019 Debit Card	Indeed	Recruitment	501	501
06/24/2019 Debit Card	Nates Cell Phone	Other	2,244	2,244
06/24/2019 Debit Card	Overstock	Other	748	748
06/24/2019 Wire	PEX Holding	Fuel	45,000	45,000
06/24/2019 Debit Card	SignNow	Other	180	180
06/24/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/25/2019 Debit Card	Indeed	Recruitment	506	506
06/25/2019 1265	Karen Soto Ridge	WC	2,500	2,500
06/25/2019 1267	Karen Soto Ridge	WC	7,675	7,675
06/25/2019 1266	Ready Refresh by Nestle	Other	153	153
06/25/2019 1268	Ready Refresh by Nestle	Other	36	36
06/25/2019 1264	SoCalGas	Utility	47	47
06/26/2019 Debit Card	Amazon Prime on line	Office	58	58
06/26/2019 Wire	Hertz Corporation	Vehicle	77,964	77,964
06/26/2019 Wire	Hillair Capital Management	Hillair	40,000	40,000
06/26/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/26/2019 Deduction	Wells Fargo Bank	bank fee	30	30
06/27/2019 Debit Card	DSP Phones	Asset	2,662	2,662
06/27/2019 Debit Card	Indeed	Recruitment	502	502
06/27/2019 Wire	Wells Fargo Bank	Payroll	50,000	50,000
06/28/2019 Debit Card	Amazon Prime on line	Office	29	29
06/28/2019 1270	Booster Fuels, Inc.	Fuel	4,269	4,269
06/28/2019 1271	Booster Fuels, Inc.	Fuel	3,486	3,486
06/28/2019 1272	Booster Fuels, Inc.	Fuel	5,537	5,537
06/28/2019 1273	Booster Fuels, Inc.	Fuel	5,193	5,193
06/28/2019 1274	Booster Fuels, Inc.	Fuel	2,406	2,406
06/28/2019 1275	Booster Fuels, Inc.	Fuel	1,641	1,641
06/28/2019 1276	Elite Mobile Detail	Car Wash	860	860
06/28/2019 1277	Implicit Labs Inc	IT	14,200	14,200
06/28/2019 1278	Parkway Commercial Realty	rent	3,412	3,412
06/28/2019 Wire	PEX Holding	Fuel	5,000	5,000
06/28/2019 1269	SuperVision	Other	289	289
06/28/2019 Deduction	Wells Fargo Bank	bank fee	30	30

TOTAL DISBURSEMENTS THIS PERIOD: 2,099,899 1,407,814 3,507,714

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

*** Payroll and Tax DIP account checks were not available during the period to make disbursements. DIP Wells Fargo Bank stated that these checks would be made available the week ending 6/21.

Bank statement Date: 6/30/2019 Balance on Statement: 1,653,339

Plus deposits in transit (a):

Deposit Date Deposit Amount

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
1003	05/15/2019	151
1008	05/20/2019	30
1024	05/21/2019	23
1029	05/21/2019	28
1045	05/24/2019	1,496
1074	05/29/2019	302
1117	06/03/2019	3,975
1151	06/06/2019	27
1186	06/12/2019	224
1187	06/13/2019	400
1212	06/18/2019	213
1265	06/25/2019	2,500
1266	06/25/2019	153
1267	06/25/2019	7,675
1268	06/25/2019	36
1269	06/28/2019	289
1270	06/28/2019	4,269
1271	06/28/2019	3,486
1272	06/28/2019	5,537
1273	06/28/2019	5,193
1274	06/28/2019	2,406
1275	06/28/2019	1,641
1276	06/28/2019	860
1278	06/28/2019	3,412

TOTAL OUTSTANDING CHECKS: 44,324

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE: 1,609,014

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

1. TOTAL RECEIPTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS	50
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS	0
3. BEGINNING BALANCE:	50
4. RECEIPTS DURING CURRENT PERIOD: (A) (Transfer from General Account)	1,602,899
5. BALANCE:	1,602,949
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:***	1,557,956
7. ENDING BALANCE:	44,993
8. PAYROLL Account Number(s):	*****8415

DIP Payroll Wells Fargo

3200 Foothill, Blvd.

La Crescenta, CA 91214

Depository Name & Location:

(A) Cash deposit made in person at branch to open DIP Payroll account. Not from DIP Operating account.

Date mm/dd/yyyy	Check Number	Payee	Purpose	Amount
06/04/2019	Wire	ADP	20000 · Payroll	749,741
06/04/2019	Wire	Wells Fargo Bank	60015 · Bank Charges	30
06/19/2019	Wire	ADP	20000 · Payroll	793,942
06/19/2019	Deduction	Wells Fargo Bank	60015 · Bank Charges	30
06/20/2019	101	Malik Cole	50220 · DCH3 - CHI- Lisle-Direct Labor	1,150
06/21/2019	102	Darrius White	50266 · DDA3 - Dallas - Direct Labor	139
06/21/2019	103	Bryan Avrey	50401 · DPS1-Pasadena -Direct Labor	144
06/24/2019	105	Ulysses Rono	50430 · DLA8 - Hawthrone - Direct Labor	134
06/24/2019	106	Robert R Melendez	50415 · DLA3 - Commerce - Direct Labor	413
06/24/2019	107	Matthew Lemus	50401 · DPS1-Pasadena -Direct Labor	508
06/24/2019	108	Treyvone Towns	50401 · DPS1-Pasadena -Direct Labor	143
06/24/2019	109	Eduardo Orozco	50415 · DLA3 - Commerce - Direct Labor	249
06/25/2019	110	William Taffet	60175 · Workers Compensation	723
06/25/2019	111	Jacqueline Salazar	60175 · Workers Compensation	559
06/25/2019	112	Devon Rea	50266 · DDA3 - Dallas - Direct Labor	868
06/25/2019	113	Cynthia Pastor	60175 · Workers Compensation	863
06/25/2019	114	Annie Yevrenian	62000 · Corporate Payroll	510
06/25/2019	115	Kevin Boyd	50430 · DLA8 - Hawthorne - Direct Labor	312
06/25/2019	Deduction	Harland Clarke	60800 · Office Expenses	294
06/25/2019	116	Emmanuel Santos Macias	50401 · DPS1-Pasadena -Direct Labor	30
06/25/2019	118	Marcus Stanford	50206 · DCH1 - CHI - Alsip-Direct Labor	223
06/25/2019	120	Jerver Chanax	50415 · DLA3 - Commerce - Direct Labor	449
06/26/2019	122	Corey P Hicks	50401 · DPS1-Pasadena -Direct Labor	30
06/26/2019	121	Anthony Rodela	50401 · DPS1-Pasadena -Direct Labor	30
06/26/2019	123	Treyvone Towns	50401 · DPS1-Pasadena -Direct Labor	137
06/27/2019	127	Jowita Chomentowska	62000 · Corporate Payroll	4,339
06/27/2019	128	Jowita Chomentowska	60015 · Bank Charges	35
06/27/2019	Deduction	Wells Fargo Bank	60015 · Bank Charges	35
06/27/2019	124	Andrew Munoz (DAU1)	50250 · DAU1 - Austin - Direct Labor	306
06/27/2019	125	Muna Hawatmeh	50445 · DLA9 - Irvine - Direct Labor	30
06/27/2019	126	Roshonna Flowers	50445 · DLA9 - Irvine - Direct Labor	397
06/28/2019	130	Israel Castillo	50401 · DPS1-Pasadena -Direct Labor	370
06/28/2019	129	Chenice Bridges	50415 · DLA3 - Commerce - Direct Labor	793
TOTAL DISBURSEMENTS THIS PERIOD:				1,557,956

*** Checks for the debtor in possession payroll account were not available until on or about 6/20/2019, at which point the debtor began using checks to make disbursements from this account.

Bank statement Date: 6/30/2019 Balance on Statement: 48,703

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>

TOTAL DEPOSITS IN TRANSIT

-

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
106	06/24/2019	413
107	06/24/2019	508
108	06/24/2019	143
109	06/24/2019	249
116	06/25/2019	30
118	06/25/2019	223
120	06/25/2019	449
121	06/26/2019	30
123	06/26/2019	137
124	06/27/2019	306
125	06/27/2019	30
126	06/27/2019	397
129	06/28/2019	793

TOTAL OUTSTANDING CHECKS:

3,710

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

44,993

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS	<hr/> 50
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX ACCOUNT REPORTS	<hr/> -
3. BEGINNING BALANCE:	<hr/> 50
4. RECEIPTS DURING CURRENT PERIOD: (A) (Transfer from General Account)	<hr/> 497,000
5. BALANCE:	<hr/> 497,050
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:***	<hr/> 494,664
7. ENDING BALANCE:	<hr/> 2,386
8. TAX Account Number(s):	<hr/> *****8399

DIP Taxes Wells Fargo
3200 Foothill, Blvd.
La Crescenta, CA 91214

Depository Name & Location:

(A) Cash deposit made in person at branch to open DIP Tax account. Not from DIP Operating account.

Date mm/dd/yyyy	Check Number	Payee	Purpose	Amount
06/04/2019	Wire	ADP	20000 · Payroll Tax	216,387
06/04/2019	Deductions	Wells Fargo Bank	60015 · Bank Charges	30
06/19/2019	Wire	ADP	20000 · Payroll Tax	278,216
06/19/2019	Deductions	Wells Fargo Bank	60015 · Bank Charges	30
TOTAL DISBURSEMENTS THIS PERIOD:				494,664

*** Checks for the debtor in possession tax account were not available until on or about 6/20/2019, at which point the debtor began using checks to make disbursements from this account.

Bank statement Date: 6/30/2019 Balance on Statement: 2,386

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
_____	_____
_____	_____
_____	_____

TOTAL DEPOSITS IN TRANSIT

0

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL OUTSTANDING CHECKS:

0

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

2,386

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

ENDING BALANCES FOR THE PERIOD:

(Provide a copy of monthly account statements for each of the below)

General Account:	1,609,014
Payroll Account:	44,993
Tax Account:	2,386
*Other Accounts:	_____

*Other Monies:	_____
**Petty Cash (from below):	0

TOTAL CASH AVAILABLE:

1,656,393

Petty Cash Transactions:

Date	Purpose	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL PETTY CASH TRANSACTIONS:

0

* Specify the Type of holding (e.g. CD, Savings Account, Investment Security), and the depository name, location & account#

** Attach Exhibit Itemizing all petty cash transactions

Creditor, Lessor, Etc.	Frequency of Payments (Mo/Qtr)	Amount of Payment	Post-Petition payments not made (Number)	Total Due
Hillair Capital	Weekly	40,000	0	0
Bentley Financial Services	Monthly	2,236	2	4,472
Motorcars West/The Auto Gallery	Monthly	2,178	2	4,356
Calstar Motors, Inc.	Monthly	2,714	2	5,429
Parkway Commercial Realty	Monthly	3,412	0	0
Three Two Seven Family Mgmt LLC	Monthly	2,335	0	0
Trust 5025983 LLC	Monthly	2,000	0	0
Bulldog Commercial Real Estate	Monthly	10,500	0	0
ExtraSpaceStorage	Monthly	140	0	0
The Hertz Corporation	Bi-Monthly	446,302	2	183,684 (1)
Lockton Companies, LLC	Monthly	71,022	0	0
GTR Source LLC	Monthly	27,663	2	55,326
Hop Capital	Monthly	37,978	2	75,957
Chrome Capital	Unknown	350,000	Unknown	350,000 (2)
WG Fund	Monthly	2,722	2	5,444
Influx Capital LLC	Monthly	3,427	2	6,855
NexGen Capital, LLC	Monthly	28,210	2	56,419
			TOTAL DUE:	747,940

(1) Historically, the total monthly amount due and owing Hertz, which fluctuates depending on van usage, was split into two (2) payments (roughly 85%/15%).

(2) Based upon the limited settlement documentation relating to Chrome Capital that the debtors are in possession of, it appears that the total settlement amount was \$350K, of which none was paid (although it is unclear whether and when any settlement payments were or are due, given the lack of settlement documentation in this regard).

III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

Gross Sales Subject to Sales Tax:	0.00
Total Wages Paid:	2,049,895.20

	Total Post-Petition Amounts Owing	Amount Delinquent	Date Delinquent Amount Due
Federal Withholding	0.00	0.00	
State Withholding	0.00	0.00	
FICA- Employer's Share	0.00	0.00	
FICA- Employee's Share	0.00	0.00	
Federal Unemployment	0.00	0.00	
Sales and Use	0.00	0.00	
Real Property	0.00	0.00	
Other: _____			
TOTAL:	0.00	0.00	

	*Accounts Payable Post-Petition	Accounts Receivable	
		Pre-Petition	Post-Petition
Current	378,258	-	4,877,679
1 - 30 days	4,648	-	3,136
31 - 60 days	46,239	-	-
61 - 90 days	-	381,058	-
91 - 120 days	-	-	-
Over 120 days	-	-	-
TOTAL:	429,145	381,058	4,880,815

V. INSURANCE COVERAGE

Type	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability	Lockton Insurance Brokers, LLC	\$300k to \$1M	1/1/2020	7/1/2019
Worker's Compensation	Innovative (CA/IL)	No limit, w \$10k deductible	10/1/2019	6/30/2019
Worker's Compensation	Self Insured in Texas	Self Insured	Monthly	7/31/2019
Vehicle	Hertz	\$0-300K	1/1/2020	7/1/2019
Others: Umbrella	First Insurance Funding	\$1M	9/15/2019	7/15/2019

VI. UNITED STATES TRUSTEE QUARTERLY FEES
 (TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
					-
					-
					-
					-
		-		-	-

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

Name of Insider	Date of Order Authorizing Compensation	*Authorized Gross Compensation	Gross Compensation Paid During the Month
George Voskanian	6/12/2019	\$25,000 / Month	50,000
Scott Sheikh	6/12/2019	\$25,000 / Month	50,000

VIII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Name of Insider	Date of Order Authorizing Compensation	Description	Amount Paid During the Month

* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

IX. PROFIT AND LOSS STATEMENT

(ACCRUAL BASIS ONLY)

	6/1/2019 through 6/30/2019	4/30/2019 through 5/31/2019	Adjustments	Cumulative Post-Petition
Sales/Revenue:				
Gross Sales/Revenue	4,080,203	4,044,653		8,124,856
Less: Returns/Discounts				0
Net Sales/Revenue	4,080,203	4,044,653	0	8,124,856
Cost of Goods Sold:				
Beginning Inventory at cost				0
Purchases				0
Less: Ending Inventory at cost				0
Cost of Goods Sold (COGS)	0	0	0	0
Gross Profit	4,080,203	4,044,653	0	8,124,856
Other Operating Income (Itemize)				
Operating Expenses:				
Payroll - Insiders	55,000	55,000		110,000
Payroll - Other Employees	1,999,895	2,257,316		4,257,211
Payroll Taxes	185,231	206,064		391,296
Other Franchise Tax and Filing Fees (Itemize)	6,647			6,647
Depreciation and Amortization	32,701			32,701
Rent Expense - Real Property	18,246	18,246		36,492
Lease Expense - Personal Property				0
Insurance	215,810	189,118		404,928
Real Property Taxes				0
Telephone and Utilities	33,397	31,519		64,916
Repairs and Maintenance	765	400		1,165
Travel and Entertainment (Itemize)	5,650	255		5,904
Miscellaneous Operating Expenses (Itemize)	784,430	861,599		1,646,028
Total Operating Expenses	3,337,773	3,619,516	0	6,957,289
Net Gain/(Loss) from Operations	742,431	425,137	0	1,167,567
Non-Operating Income:				
Interest Income	0	19		19
Net Gain on Sale of Assets (Itemize)	0	0		0
Other (Itemize)	0	0		0
Total Non-Operating income	0	19	0	19
Non-Operating Expenses:				
Interest Expense				
Legal and Professional (Itemize)				
Debtor Counsel	200,000	350,000	0	550,000
Debtor CRO	20,000	20,000	0	40,000
Debtor Advisor	60,000	60,200	(200)	120,000
Board of Directors	5,000	0	5,000	10,000
Secured Lender Counsel	80,000	140,000	0	220,000
Committee Counsel	40,000	18,750	1,250	60,000
Committee Professionals	50,000	12,500	37,500	100,000
Investment Banker	66,000	0	0	66,000
Other (Itemize)	0	0	0	0
Total Non-Operating Expenses	521,000	601,450 (1)	43,550	1,166,000
NET INCOME/(LOSS)	221,431	(176,295)	(43,550)	1,586
Itemized Miscellaneous Operating Expenses				
Fuel Expense	306,388	386,575		692,963
Vehicle Expense	416,688	291,109		707,797
Employment Counsel	0	100,000	(100,000) (2)	0
Office Supplies	7,818	20,198		28,015
Driver Background Check	16,939	18,681		35,621
Dues and Subscriptions	4,960	0		4,960
Car Wash	3,660	11,367		15,027
Citation	290	5,925		6,215
Accidents	340	4,147		4,487
Bank Charges	670	2,942		3,612
Recruitment Expenses	6,176	0		6,176
IT Expenses	16,200	0		16,200
Other misc. OpEx	4,300	20,656		24,956
Total	784,430	861,599	(100,000)	1,546,028

(1) The identified amounts are estimates based upon discussions with the Debtors' professionals, Committee counsel and counsel for Hillair, as applicable, and are subject to various orders, including but not limited to orders governing the use of cash collateral and orders approving the employment of the various professionals identified.

(2) A payment made to the Debtor('s) employment counsel prior to the Petition Date was inadvertently included in the Debtor('s) Profit and Loss Statement for the period of 6/1/19 through 6/30/19, which was included in the May monthly operating report(s), so it is being adjusted herein to reflect the actual timing of the payment.

X. BALANCE SHEET
(ACCURAL BASIS ONLY)

ASSETS	Current Month End
Current Assets:	
Unrestricted Cash	1,656,393
Restricted Cash	0
Accounts Receivable	5,261,873
Inventory	0
Notes Receivable	0
Prepaid Expenses	157,995 (1)
Other (Itemize)	
	Total Current Assets
	7,076,262
Property, Plant, and Equipment	1,029,610
Accumulated Depreciation/Depletion	(184,012)
	Net Property, Plant, and Equipment
	845,598
Other Assets (Net of Amortization):	
Due from Insiders	1,815,528 (2)
Other (Itemize)	262,033 (3)
	Total Other Assets
	2,077,560
TOTAL ASSETS	9,999,420
LIABILITIES	
Post-petition Liabilities:	
Accounts Payable	429,145 (4)
Taxes Payable	0
Notes Payable	0
Professional fees	1,166,000
Secured Debt	0
Accrued Payroll	1,100,454
Other (Itemize)	(280,000) (5)
	Total Post-petition Liabilities
	2,415,599
Pre-petition Liabilities:	
Hillair Notes Payable due to Scoobeez Global	11,153,098 (5)
Priority Liabilities	
Unsecured Liabilities	24,803,826 (6)
Other (Itemize)	
	Total Pre-petition Liabilities
	35,956,924
TOTAL LIABILITIES	38,372,522
EQUITY:	
Pre-petition Owners' Equity	(20,275,829)
Post-petition Profit/(Loss)	1,586
Direct Charges to Equity	(8,098,859)
TOTAL EQUITY	(28,373,102)
TOTAL LIABILITIES & EQUITY	9,999,420

(1) Includes deposits for fuel in the approximate amounts of \$105K and \$39K for Fleetcor and Pex, respectively. The remaining amount is comprised of a combination of rental security deposits and insurance deposits.

(2) The amount "Due from Insiders" continues to be reviewed and this figure will be updated as necessary and appropriate based upon that review.

(3) Of this amount \$173K is a receivable due from the Internal Revenue Service for excessive payroll tax withholding for the months of March and April 2019. The balance of this amount reflects primarily potential funds to be recovered from various merchant cash entities.

(4) Payroll payable (\$1.1MM), Hertz (\$356K), Booster (\$19), AT&T Mobility (\$20K), and various other accounts payable (\$33K).

(5) Since the petition date the Debtor has paid \$280K to Hillair Capital Management pursuant to certain cash collateral stipulations and orders, and said funds shall be applied in a manner consistent therewith.

(6) The Pre-Petition Unsecured Liabilities include the balance due and owing Avitus as reflected in the Debtor(s)' pre-petition balance sheet(s) (\$15,971,408) (the "Avitus Debt"). Although this figure is disputed by the Debtor(s), and inconsistent with the figure(s) included in the schedules filed by the Debtors (which the Debtors believe to be a more accurate estimate of the amount actually due and owing Avitus), this figure is included herein in order to maintain consistency with the Debtor(s)' previous balance sheet(s). The CRO continues to evaluate the true nature and amount of the Avitus Debt and will update it as necessary and appropriate. In addition, this figure includes \$8,098,859 due and owing a number of merchant cash advance entities pursuant to a global settlement by and among the Debtor and Scoobeez Global, on the one hand, and a number of merchant cash entities on the other hand.

1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: No Yes X

2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: No Yes X

3. State what progress was made during the reporting period toward filing a plan of reorganization

On or about June 6, 2019, the Court entered an order authorizing the Debtor(s) to retain Brian Weiss of Force 10 Partners as their chief restructuring officer (the "CRO"). Since this date, the CRO has continued to work diligently with the Debtors and the Debtor(s) professionals towards the exit strategy most likely to maximize the value of the estates' assets, and thus the distributions to be made to creditors holding allowed claims.

4. Describe potential future developments which may have a significant impact on the case:
See response to question #3. In addition, the deadline for the Official Committee of Unsecured Creditors (the "Committee") to challenge the nature, extent, scope, amount and/or enforceability of any and all claim(s) asserted by and/or lien(s) purportedly in favor of Hillair Capital Management is July 24, 2019, and the Committee has indicated their intent to do so on or before that date by way of adversary proceeding and/or contested matter.

5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.

6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below. No Yes X

I,
/s/ George Voskanian
George Voskanian, CFO/Co-CEO

declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.

1 Ashley M. McDow (245114)
2 **FOLEY & LARDNER LLP**
3 555 S. Flower St., Suite 3300
4 Los Angeles, CA 90071
5 Telephone: 213.972.4500
6 Facsimile: 213.486.0065
7 Email: amcdow@foley.com

8 and

9 John A. Simon (admitted *pro hac vice*)
10 **FOLEY & LARDNER LLP**
11 500 Woodward Ave., Ste. 2700
12 Detroit, MI 48226
13 Telephone: 313.234.7100
14 Facsimile: 313.234.2800
15 Email: jsimon@foley.com

16 Attorneys for Debtors and Debtors-in-Possession,
17 Scoobeez, Scoobeez Global, Inc., and Scoobur, LLC

18

19 **UNITED STATES BANKRUPTCY COURT**
20 **CENTRAL DISTRICT OF CALIFORNIA**
21 **LOS ANGELES DIVISION**

22 In re

23 **SCOOBEEZ, et al.¹**

24 Debtors and Debtors in
25 Possession.

26 Case No. 2:19-bk-14989-WB
27 Jointly Administered:
28 2:19-bk-14991-WB; 2:19-bk-14997-WB

29 Chapter 11

30 **GLOBAL NOTES AND STATEMENT OF**
31 **LIMITATIONS, METHODOLOGY, AND**
32 **DISCLAIMERS REGARDING**
33 **SCOOBEEZ'S JUNE 2019 MONTHLY**
34 **OPERATING REPORT**

35 Affects:

36 All Debtors

37 Scoobeez, ONLY

38 Scoobeez Global, Inc., ONLY

39 Scoobur LLC, ONLY

40 _____
41 ¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows:
42 Scoobeez (6339); Scoobeez Global, Inc. (9779); and Scoobur, LLC (0343). The Debtors' address is 3463 Foothill
43 Boulevard, Glendale, California 91214.

1 Scoobeez, as debtor and debtor in possession (“**Scoobeez**”) is filing its June 2019 Monthly
2 Operating Report in accordance with the United States Trustee Guidelines for the Bankruptcy Court
3 for the Central District of California. These Global Notes and Statement of Limitations,
4 Methodology, and Disclaimers Regarding Scoobeez’s June 2019 Monthly Operating Report (the
5 “**Global Notes**”) relate to the Scoobeez June 2019 Monthly Operating Report (the “**MOR**”) and
6 are in addition to any specific notes contained in the MOR.

7 **These Global Notes comprise an integral part of the MOR and should be referred to
8 and considered in connection with any review of the MOR. The MOR and Global Notes
9 should not be relied upon by any persons for information relating to current or future
10 financial conditions, events, or performance of Scoobeez.**

11 The MOR was prepared by George Voskanian, Scoobeez’s Chief Financial Officer and Co-
12 Chief Executive Officer (“**Voskanian**”), with the assistance of Scoobeez’s advisors. Although
13 Voskanian has made reasonable efforts to ensure that MOR is accurate and complete based upon
14 information that was available at the time of preparation, subsequent information or discovery
15 thereof may result in material changes to MOR, and inadvertent errors or omissions may exist.
16 Moreover, the MOR contains unaudited information, which is subject to further review and
17 potential adjustment.

18 The MOR has been signed by Voskanian. In reviewing and signing the MOR, Voskanian
19 necessarily relied upon the efforts, statements, and representations of Scoobeez’s other personnel
20 and professionals.

21 Scoobeez and its agents, attorneys, and financial advisors do not guarantee or warrant the
22 accuracy or completeness of the data that is provided herein, and shall not be liable for any loss or
23 injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent
24 or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or
25 delivering the information contained herein. While reasonable efforts have been made to provide
26 accurate and complete information herein, inadvertent errors or omissions may exist.

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GLOBAL NOTES PERTAINING TO MOR

1. **General Reservation of Rights:** Scoobeez reserves all rights to amend the MOR from time to time, in any and all respects, as may be necessary or appropriate. Any specific reservation of rights contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this paragraph.

2. **Global Notes Control.** These Global Notes pertain to and comprise an integral part of the MOR and should be referenced in connection with any review thereof. In the event that the MOR conflict with these Global Notes, these Global Notes shall control.

3. **Reservations and Limitations.** Reasonable efforts have been made to prepare and file a complete and accurate MOR; however, as noted above, inadvertent errors and omissions may exist. Scoobeez reserves all rights to amend and supplement the MOR as may be necessary or appropriate. Nothing contained in the MOR constitutes a waiver of Scoobeez's rights or an admission of any kind with respect to these Chapter 11 Cases, including, but not limited to, any rights or claims of Scoobeez against any third party or issues involving substantive consolidation, recharacterization, equitable subordination, or defenses or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable bankruptcy or non-bankruptcy laws to recover assets or avoid transfers. Any specific reservation of rights contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this paragraph.

4. **No Admission.** Nothing contained in the MOR is intended or should be construed as an admission or stipulation of the validity of any claim against Scoobeez, the secured status of any claim against Scoobeez, the nature of any contract, including whether such contract is executory, or a waiver of Scoobeez's rights to dispute any claim, the status of any contract, or to assert any cause of action or defense against any party. Furthermore, nothing in the MOR constitutes an admission by Scoobeez of the legal rights of any vendor, claimant, or contract counterparty, or nothing in the MOR constitutes a waiver of Scoobeez's rights to recharacterize or reclassify such claim or contract.

1 5. **Financial Information.** The financial and tax information contained in the MOR
2 continues to be reviewed by Scoobeez and its professionals and will be amended or updated as
3 necessary and appropriate. Historically, based upon the relationship amongst the Debtors, certain
4 financial obligations and results of the operating entity (Scoobeez) may have been reported or
5 reflected in the financials of the parent company (Scoobeez Global). For instance, solely by way
6 of example, the Debtors have filed consolidated tax returns.

7 6. **Insiders.** In the circumstances where the MOR requires information regarding
8 “insiders,” Scoobeez has included information with respect to certain individuals who served as
9 officers and directors, as the case may be, during the relevant time periods. Such individuals may
10 no longer serve in such capacities. The listing of a party as an insider for purposes of the MOR is
11 not intended to be, nor should it be, construed an admission of any fact, right, claim, or defense, and
12 all such rights, claims, and defenses are hereby expressly reserved. Information regarding the
13 individuals listed as insiders in the MOR may not be used for the purposes of determining
14 control of Scoobeez, the extent to which any individual exercised management responsibilities or
15 functions, corporate decision-making authority over Scoobeez, or whether such individual
16 could successfully argue that he or she is not an insider under applicable law, including the
17 Bankruptcy Code and federal securities laws, or with respect to any theories of liability or any other
18 purpose. Payments listed as being made to insiders in the MOR continue to be reviewed by
19 Scoobeez and its professionals and will be amended or updated as necessary and appropriate.

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